construction of certain repeways at some of the important places mentioned in the statemen! is under consideration or not of the Government at the moment.

SHRI H.K.L. BHAGAT: The Government is quite keen -to develop tourism in Sikkim. Of course there are certain places which are under restriction under certain laws. But the Government is keen to develop tourism in Sikkim. At Sikkim and several othe$_r$ places, there are $_a$ number of proposals for giving them air-links and so on. All these matters are taken up by us with the Minister concerned.

THE DEPUTY CHAIRMAN: Question No. 410.

*410. *[The questioner (Shri J. P. Goyal) was absent. Fo$_r$ answer,* vide *col.* 37-38 infra]

*411. *[The question:r (Shri Kanak Mukherjee) was absent For answer,* vide *Col.* 38-39 .infra]

*412. *[The questioner (Shri M. Basavaraju) was absent. For answer,* vide *Col.* 39 infra]

THE DEPUTY CHAIRMAN; Question No. 413.

Procedural Problems Faced by the Non-Resident Indians . .,

*413. SHRI K. VASUDEVA PANICKER: Will the Minister of FINANCE be pleased to state;

(a) what are the terms of reference of the Committee set up by the Reserve Bank of India to look into the procedural problems being faced by non-resident Indians;, and

(b) by when the Committee is likely to submit its report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI); (a) and (b) A statement is laid on the Table of the House.

Statement

(a) The Committee set up by the Reserve Bank of India will—

(i) examine Exchange Control re-
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tation relating to the 4.) percent and 74 percent Direct Investment Scheme and the Portfolio Investment S and suggest suitable modifications and simplifications as may be found neeessary;

(ii) review th$_e$ Exchange Control regulations relating to allied issues such as remittance of dividend interest on shares[debentures issued under the above schemes, issue of rights] bonus sh 1-res, capitalisation of preliminary expenses incurred by NRIS for setting up individual projects and suggest inodificatiens'simp'ification in procedures and practices;

(iii) review tbe present system of delegaiion of powers to authorised dealers in foreign exchange/regional offices of the Bank i$_n$ the areas of NRI investment and suggest further delegation; where necessary;

(iv) Consider an$_v$ other related mailers of relevence. Th$_e$ Committee will b$_e$ free to examine any policy matter relating to NRI investments and make suggestions.

(b) The Committee ig likely fo submit its Report before the end of December, 1985.

SHRI K. VASUDEVA PANICKER: Madam, in the written answer supplied tu us, in part (a) (iii) it is stated that th* Committee will "review the present system of delegaiion of powers to authorised dealers in foreign exchangejregional offices of the Bank in the areas of NRI investment and suggest further delegation, where necessary." I would like to know from the Minister as to what is the present system of authorisation to thes$_e$ dealers is.

SHRI 1ANARDHAN POOJARI: Sir...

THE DEPUTY CHAIRMAN: Madam.

SHRI P. SHIV SHANKER: 'Sir* ineludes, 'Madarn'.

SHRI JANARDHAN POOJARI: Madam, here the Sub-committee which has been set up the Reserve Bank of India in consulation with the Government of Jndia is going into all the aspects pertaining to this simplification and modification 'nay be found necessary. Regarding the present system, that is also going to be looked int$_0$ by the sub-committee and this sub-committee will be submitting its report by the end of December. All Us and particulars I will furnish to the hon. Member.

SHRI DIPEN GHOSH: Probably the Minister is not prepared, he thought his question would not come »p.

SHRI K. VASUDEVA PANICKER: I would like to know from the hon. Minister till now how much of investment has been made by the NRIs.

SHRI JANARDHAN POOJARI: The investment that has been made under the 40 per cent scheme is Rs. 335.12 crores; under 74 per cent scheme, the Investment made is **Rs. 40.57** crores and investment direct on non-repatriation basis is Rs. 62.79 crores. The amount that was deposited in th$_e$ form of bank deposits was Rs.4547.23 crores.

SHRI SURESH KALMADI: Many non-resident Indians want to come to the conutry and invest here in a big way but when they com$_e$ to Delhi they meet Secretaries and everybody says: Yes, you must come and we want to help you out. But when they start filling up the forms and they see all the procedural problems, half of them run away and the other half look to Indians who could help them out, and as such the advantage which should h;ive been gained, has not been gained as much as we should have. I would like to know from the hon. Minister one thing. There is India Investment Centre: it is here in Tndia and also abrcd. Why are you not making use of these officers? Whe,, the non-resident Indians want to come t$_0$ India, they should go to India Investment Centre which today is a cushy 'job for many bureaucrats. I think India Investment Centre should be tot.ily reorganised and all non-resident Indians should go there and the India Investment I Centre should take upon themselves the *V* of guiding non-resident Indians. Would the Minister consider it?

SHRI JANARDHAN POOJARI; It is true that reports ar$_e$ coming regarding the difficulties faced by the non-reside$_{nt}$ Indians about procedures and modalities particularly, Her$_e$ I want to tell the non, Member that that is the reason why we have set UP this sub-committee and we have asked this committee also *t$_O$* senj its recommendations as early as possible. By tlie end of December it is likely to submit port.

So far as India Investment Centre is concerned, the suggestion given by the hen. Member is noted- it is for action.

SHRI M. KADHARSHA: The Reserve Bank has put a ceiling of 5 per cent to NRI Investment i$_n$ the existing Indian companies and thus the NRI investment has come to a standstill. Secondly, the tax law$_s$ and fiscal policies of the Government are cumbersome and very rigid. The re is disparity betwee$_n$ an individual and companies and corporate bodies while collecting income-tax. I would like to know from the hon. Minister whether this disparity will be removed and income-tax will b, levied in a uniform manner.

SHRI VISHWANATH PRATAP SINGH: Though the RBI has the power to waive the limitation, but by and large, this limitation of 5 per cent was put with a view t$_0$ preventing any fear of takeover by people from abroad of companies here. I think that has been a healthy guideline because portfolio investment is within the existing equity investment. It is a chance of hands in regard to equity shares. So far as 40 per cent and 75 per cent investments are concerned, they ar$_e$ i$_n$ regard to capital investments. That stands o$_n$ a different footing than portfolio investment of a running unit So far as taxation is concerned, we have kept the distinction between a corporate body and an individual for good reasons.

*414. *[The questioner (.Shri K. Mohanan) was absent For nnswer* vide *col.* 39-**40** infra]